

## DECISION TREE – INTEGRAL vs. NON-INTEGRAL

Used for determining whether an item of Property/Equipment is Integral (and should be capitalized as part of the CWIP asset) OR Non-Integral (and should be separately capitalized) to the related CWIP asset

START

IS THE PROP/EQUIP BUILT INTO THE RELATED CWIP ASSET SUCH THAT ITS REMOVAL WOULD EITHER DAMAGE THE CWIP ASSET OR THE PROP/EQUIP OR IMPAIR THE INTENDED USE OF THE CWIP ASSET?

Y

CAPITALIZE THE PROP/EQUIP AS PART OF THE CWIP ASSET

N

IS THE USEFUL LIFE OF THE PROP/EQUIP MATERIALLY DIFFERENT THAN THAT OF THE CWIP ASSET?

N

CAPITALIZE THE PROP/EQUIP AS PART OF THE CWIP ASSET

Y

IS THE COST OF THE PROP/EQUIP MATERIAL RELATIVE TO THE COST OF THE CWIP ASSET?

N

CAPITALIZE THE PROP/EQUIP AS PART OF THE CWIP ASSET

Y

SEPARATELY CAPITALIZE THE PROP/EQUIP AS NON-INTEGRAL PROP/EQUIP (must meet capitalization threshold)